

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 6592

BILL NUMBER: HB 1303

NOTE PREPARED: Jan 8, 2012

BILL AMENDED:

SUBJECT: Nonresident income tax for Gary.

FIRST AUTHOR: Rep. Brown C

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL
DEDICATED
FEDERAL**

IMPACT: Pending

Summary of Legislation: Authorizes the Gary city council to impose a municipal employment opportunity tax upon nonresident individuals who work in Gary. Provides that the tax may not exceed 1% of the individual's adjusted gross income derived from the covered individual's principal place of business or employment. Provides that the tax revenue must be used for infrastructure repair and improvements or public safety expenditures, or both. Permits the tax revenue to be pledged to repay bonds or lease rentals related to infrastructure or public safety. Permits the municipal employment opportunity tax to be used to pay outstanding indebtedness if the city of Gary fails to make required payments. Permits the state to intercept the taxes for noncompliance with certain data requirements.

Effective Date: July 1, 2012.

Explanation of State Expenditures: *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources:

Fiscal Analyst: Jim Landers, 317-232-9869.